

Opposition to Raised House Bill #5472

03-17-10

Dear Members of the Judiciary Committee,

My name is Jay Sargent, I am a partner of TC's Pawn Company of Waterbury and the President of the CT Association of Pawnbrokers. I am writing to you in opposition to raised House Bill 5472. We have been a tax paying business in CT for over 25 years. We currently employ a staff of 22 team members, 16 of which are offered medical coverage, paid vacation, paid personal days, paid sick time and a matching retirement plan. Most of our team members have supported their families from their employment with our company for the last 5-12 years.

Although I understand many of the concepts this Bill is looking to introduce into the industries, I am opposed to the "re-writing" of Chapter 409 of the CT General Statutes as HB 5472 would do;

- 1) Pawnbrokers are unique; our industry has been in existence for hundreds of years. We purchase items from the general public but, we are also a collateral lender, were a person can come in and leave personal property and have an opportunity to reclaim it. This makes our industry unique from all others. The combining of different and distinct businesses under one statute should not take place. I do agree the similarities in the industries should have alike statutes in the areas of licensing, record keeping and holding periods to further aid law enforcement in their investigations.
- 2) The ninety day time frame for renewing a license is excessive, with being deemed a denial if the licensing authority does not act. How can one operate a business not knowing if they will be renewed in three months? If there is a possible issue with the license they should be notified immediately.
- 3) I do not object too many of the details in the record keeping areas of this Bill. I agree photos should be taken of all jewelry items (we have been doing this voluntarily for sometime), although most all other items have distinct model and serial numbers that are already recorded under current law and are traceable through our record keeping systems. The logistics and expense involved in many of the requirements being asked for would be cumbersome for any business to handle.
- 4) A major objection would the removal of the ability for pawnbrokers to cash the check, bank draft or money order for our customer. This was addressed in the 1997 legislative session and amended in the statute to allow this. Our customers are commonly unbanked and do not have the ability to go to a bank and cash a check. We currently have them sign a "bank draft" with a corresponding transaction number and this is kept as record.

HB 5472 as written would cause intense logistical issues and expense on our business while at the same time decreasing revenue from the loss of the unbanked consumers who would no longer be able to use our services, in turn causing layoffs and cut backs.

I ask that you do not move forward with this bill and instead, allow the work to continue on the comprehensive reform of House Bill 5342, which will be before this Committee for a vote.